

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 18831
[Redacted],)	
)	DECISION
Petitioners.)	
_____)	

On March 29, 2005, the Tax Discovery Bureau (TDB) of the Idaho State Tax Commission (Commission) issued a Notice of Deficiency Determination (NOD) to [Redacted](petitioners), proposing additional income tax, penalty, and interest for tax year 2001 in the total amount of \$392.

On May 31, 2005, a timely protest and petition for redetermination was filed by the petitioners. The petitioners have not requested a hearing. The Commission has reviewed the file, is advised of its contents, and hereby issues its decision affirming the NOD.

The petitioners were issued a NOD by the Commission [Redacted] of their income. [Redacted] The Commission received no notification or indication the petitioners appealed the [Redacted] Notice of Deficiency. TDB, therefore, issued a NOD based on that information and adjusted the petitioners' Idaho return. We find that the tax enforcement specialist correctly recomputed the petitioners' tax liability [Redacted].

In [Redacted]'s protest letter dated May 31, 2005 he said that [Redacted] had "filled [sic] papers" in response to the federal audit and had not yet received a response.

On November 29, 2005, the Tax Policy Specialist (policy specialist) sent the petitioners a letter to inform them of the alternatives for redetermining a protested NOD. A follow-up letter was sent to the petitioner on January 17, 2006. The petitioners did not respond to either letter.

Idaho Code § 63-3002 states it is the intent of the Idaho legislature to make the Idaho Code identical to the Internal Revenue Code in the way taxable income is determined. Idaho

Code § 63-3069 states that, upon a final determination of any deficiency or refund of federal taxes, written notice shall be immediately sent to the State Tax Commission by the taxpayer. IDAPA 35.01.01.890.03 Income Tax Administrative Rules states that immediate notification is within 60 days of the final determination.

From the cited Idaho Code sections and the Administrative Rule, it is apparent the Idaho legislature intended any changes made to a taxpayer's federal return should be reflected on the taxpayer's Idaho return. Therefore, it is the Commission's position that the changes made to the taxpayer's federal return must be made to the taxpayer's state return.

Following the Idaho Code, the adjustments must be made to the petitioners' Idaho income tax return. The petitioners carry the burden to prove the adjustments were incorrect. [Redacted]

Since the petitioners have not provided the Commission with a contrary result to the [Redacted] original redetermination, the Commission must uphold the deficiency as asserted.

WHEREFORE, Notice of Deficiency Determination dated March 29, 2005, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that petitioners pay the following tax, penalty, and interest for the year 2001:

<u>TAX</u>	<u>PENALTY</u>	<u>INTEREST</u>	<u>TOTAL</u>
\$317	\$16	\$55	\$388
		PAYMENT	<u>(392)</u>
		TOTAL DUE	<u>\$ (4)</u>

The petitioners have overpaid the total amount due on the Notice of Deficiency Determination and, therefore, will be refunded the amount of the overpayment shown above.

An explanation of the petitioners' right to appeal this decision is enclosed with this decision.

DATED this ____ day of _____, 2006.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that I have on this _____ day of _____, 2006 , served a copy of the within and foregoing DECISION by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.